Session #6

Reconciliation/Closeout

Best Practices

Carla William

Colorado State University

Colorado State University

- Four-Year Public

- 23,000 Students

- Option 2

- Combo School Years 1 and 2

- Mainframe to Mainframe Year 3 Forward

- 19,000 Direct Loans

- $70,000,000

Daily Processing

- Originate accepted loans
- Manifest promissory notes
- Send disbursements/adjustments
- Drawdown actual cash expenditures
  – Record draws on mainframe system
- Receive and process DL batches

Weekly Processing

■ Send change records

■ Run exceptions report twice a week

– outstanding originations

– outstanding promissory notes

– outstanding disbursements

– pending credit checks

Monthly Processing

- Review 30-Day Warning Report
  - Loans with disbursement and no promissory note
  - Loans with promissory note and no disbursement
- Process Direct Loan School Account Statement(DLSAS)

DLSAS Process

Mainframe program does electronic compare of DLSAS detail to loan disbursement and cash detail.

Matching detail records are updated on mainframe system as "matched."

Program creates a Summary Report comparing DLSAS totals with mainframe monthly totals.

DLSAS Process

- **Cash Detail discrepancies**
  - Draw did not make it from GAPS to LOS
  - Draw was acknowledged multiple times
  - Timing issues

DLSAS Process

- **Loan Detail discrepancies**
  - Timing issues on promissory notes
  - Timing issues on disbursements

DLSAS Process

- Special reports
  - "Matched" disbursements
  - "Unmatched" disbursements
- Total of both reports will equal total of all loans disbursed on mainframe system
- Review all unmatched loans for validity
- Correct or follow-up with LOC on problems

DLSAS Process

■ Keep running balance on spreadsheet
- total disbursements
- total adjustments
- total cash draws

Total at end-of-year should be zero!

DLSAS Process

- Do reconciliation process on a monthly basis
- Keep all reports as an audit trail

Year-End 732 Process

- Print Summary Report
- If cash balance is not zero, identify problem
- If needed, move Detail Report to dataset for review
- Otherwise, move Detail Report to archives